



May 20, 2025

The Honorable Ryan Mackenzie
Chair
Subcommittee on Workforce
Protections
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Ilhan Omar
Ranking Member
Subcommittee on Workforce
Protections
U.S. House of Representatives
Washington, D.C. 20515

Dear Chair Mackenzie, Ranking Member Omar and Members of the Subcommittee:

On behalf of the National Association of REALTORS® (NAR), we would like to thank the committee for holding today's hearing, "*Empowering the Modern Worker*." NAR believes that there should be clarity regarding how workers should be classified under the Fair Labor Standards Act (FLSA) and generally under federal law. In the current global economy, small businesses play a critical role and protecting the ability of workers to be properly classified as independent contractors is vital.

Protecting independent work is a top priority for NAR. Eighty-nine percent of NAR members are currently classified as independent contractors. Also, under the Internal Revenue Code 26 section 3508, real estate agents are treated as independent contractors for tax purposes. The treatment of real estate professionals as independent contractors should also be clarified under all federal labor laws as well. Many real estate agents choose to work as independent contractors because it provides them with flexibility, autonomy, and independence in how they conduct their work. Agents set their own schedules, workloads, and conduct transactions at their own pace, providing them with the best ability to meet and serve the needs of their clients in all types of residential and commercial real estate transactions.

NAR further supports Association Health Plans (AHPs) and affordable health coverage for independent contractors and workers. Access to affordable healthcare coverage remains a challenge for many independent contractors. More expansive health coverage for independent workers should remain a top priority for Congress and the Department of Labor (DOL) as it seeks to empower workers.

NAR supports the *Modern Worker Empowerment Act*, introduced by Representative Kiley and which aims to provide federal regulatory certainty for how workers are classified at the federal level. This bill provides greater

predictability, and certainty as it relates to classifying workers' status under the FLSA. This bill will provide clarity for workers, small businesses, and the self-employed.

NAR remains committed to working with Congress, federal agencies, and industry leaders on worker classification matters. NAR welcomes the opportunity to work collaboratively as a thought partner. If you have any questions, please contact me or Nia Duggins, Senior Policy Representative at 202-383-1085, or nduggins@nar.realtor.

Sincerely,



Kevin Sears
President, National Association of REALTORS®